

## 'Fundamental differences': City expansion into county area could cause squabble

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Article Launched: 08/12/2008 12:03:03 AM PDT

Chico General Plan growth location options



This map shows growth options for Chico. All areas under consideration by the city are disputed by the county. All Chico E-R photos are available [here](#).

CHICO -- A decision on how Chico should grow isn't just the city's choice. City planner Holly Keeler said all nine areas outside the city under consideration for growth are disputed by Butte County.

"Their idea of what they would allow the city to do is much reduced from what the city needs in terms of land area to meet the housing projections," Keeler said.

"It's not that we're not talking to the county ... It's just that there are some fundamental differences at this time," she added later.

Butte County Director of Development Services Tim Snellings said the county opposes some of the growth areas the city is considering, including places crossing the green line protecting agriculture west of the city.

"If the city wants to grow west, there are going to be some real problems between the county," he said. "That's not a secret; the county has made it clear it's inappropriate for the city to grow west across the green line."

The city's General Plan alternatives include five areas across the green line. Snellings said the county considers one of those places — the Bell-Muir area north of West East Avenue and east of the railroad tracks — an exception because it's noted as an appropriate site for development in the county's existing General Plan.

The county also wants to keep an area south of the city known as Nance Canyon in agriculture, though the property on the east side of Highway 99 between the Skyway and Neal Road is pegged for development in one of the city's growth alternatives.

Snellings said the county has identified the north Chico planning area — on the east side of Highway 99 — as an area where it would work with the city. He said the county wants to partner with the city there, the Doe Mill/Honey Run planning area southeast of the city, and potentially on Bell-Muir.

However, he said if the city pursues county areas, the county will seek revenue-sharing agreements to provide for county services such as the jail and libraries that are used by city residents.

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"We just want to make sure the county's costs are covered as well. ... Revenue sharing is a real issue that needs to be addressed with any annexations," Snellings said.

County Supervisor Curt Josiassen said the city and the county need to have a long discussion about the costs of both the city's and county's responsibilities. He said a lot of people think all development needs to happen in the city and the county needs to stay as open space, but that does not give the county revenue to keep up with its costs.

"Without it, the county is destined to be poverty-stricken for the next 20 years again and I don't want to see it happen to the county," Josiassen said.

He said the answer may be concentrating on job creation in the county rather than a sole focus on building homes.

Keeler said at the next city and county meeting, planners are scheduled to discuss tax-sharing agreements.

City Finance Director Jennifer Hennessy said the city and county currently have an agreement for properties the city has annexed: The county keeps 55 percent of the property tax from those areas, and the city gets 45 percent — a loss to the city's coffers of a range of \$50,000 to \$350,000 a year, she said.

She said that's far less than the amount the city loses from a second sharing agreement made after the city annexed the North Valley Plaza in the '80s. Under that agreement, the county gets 5 percent of the city's share of sales tax revenue. Currently just under \$1 million a year goes to the county, she said.

Keeler said the city will decide independently of the county what it believes is the best use of land. Then,

she said, if both groups "agree to disagree," the city will go before the Butte County Local Agency Formation Commission for that group's ruling on whether the city may annex those properties.

"There's no guarantee that the city will get any of these land areas. ... It's not just a done deal, it's coordinated very thoughtfully by LAFCO," Keeler said

Snellings said coordination with the cities is the county's No. 1 guiding principle in undergoing its General Plan update process.

"I think the county and the city are having good discussions that show a good level of agreement and a level of disagreement ... that is a healthy part of the process," Snellings said.

"It's going to be some hard discussions ahead of us; I think everyone is prepared to have them," he added.

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**BACKGROUND:** The city and the county are in the process of updating their general plans. The city is considering three different options for growth, two of which would expand outside the current city limits.

**WHAT'S NEW:** The county is opposed to the city expanding in some areas, and wants revenue-sharing agreements in areas where it does expand.

**WHAT'S NEXT:** County and city planners will meet to talk about revenue-sharing agreements. The city's Planning Commission will decide which growth alternative it likes Aug. 21.

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